

California Gambling Control Commission

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**MINUTES OF AUGUST 24, 2010
COMMISSION MEETING**

OPEN SESSION

1. Call to Order and Pledge of Allegiance.

Chairman Dean Shelton called the meeting to order at 10:01 a.m., and asked everyone to stand for the Pledge of Allegiance.

2. Roll Call of Commissioners.

Roll Call of Commissioners was taken, with Chairman Dean Shelton and Commissioners James Shelby and Stephanie Shimazu present.

3. Consideration of Final Adoption of, and Approval for Filing with the Office of Administrative Law, Regulations Concerning Remote Caller Bingo (Amend Title 4, CCR, Sections 12480, 12488, 12492, 12494, 12496, 12498, 12499, 12501, 12502, 12504 and 12508):

- Definitions (§ 12480)
- Remote caller bingo vendors (§§ 12488, 12492, 12496)
- Remote caller bingo interim licenses and work permits (§§ 12498, 12499, 12500, 12501, 12502)
- Recognition of organizations conducting remote caller bingo (§ 12504)
- Remote caller bingo requirements (§ 12508)

Regulatory Manager Jim Allen indicated staff recommended the Commission approve staff's recommended modifications to the text of the proposed remote caller bingo regulations which were noticed for a 15-day written comment period on August 3, 2010, and adopt and approve for filing with the Office of Administrative Law (OAL), the final text of the proposed remote caller bingo regulations as modified; and authorize staff to make any necessary non-substantive changes that may be required by OAL during their review process.

David Fried, representing LIF Capital and Pacific Gaming, asked for clarification regarding whether a company licensed as a card-minding device

manufacturer/distributor that is providing card-minding devices for use in a remote caller bingo game is also required to be licensed as a remote caller bingo vendor.

Mr. Allen indicated that the card-minding manufacturer and distributor would not have to acquire multiple licenses and clarification would be included in the Final Statement of Reasons.

After consideration of all the public comments, and upon motion of Commissioner Shimazu, seconded by Commissioner Shelby and unanimously carried in a vote by roll call with Chairman Shelton and Commissioners Shelby and Shimazu voting yes, the Commission approved the staff recommendation.

4. Consideration of Final Adoption of, and Approval for Filing with the Office of Administrative Law, Regulations Concerning the Reactivation of Expired State Gambling Licenses (Amend Title 4, CCR, Sections 12002 and 12345; Adopt Title 4, CCR Sections 12347 and 12348):

- Definitions of Surrender (§ 12002)
- Late submission of renewal applications; abandonment of license (§ 12345)
- State Gambling License; Surrender, Abandonment and Reactivation; Future (§ 12347) and Past (§ 12348)

Regulatory Analyst Shannon George indicated that staff recommended the Commission approve staff's recommended changes for a 15-day public comment period in response to comments received during the 45-day public comment period; and adopt and approve for filing with the Office of Administrative Law (OAL) the final text of the proposed regulation as modified, subject to the receipt of no substantive or new comments concerning the 15-day notice of modified text; and authorize staff to make any necessary non-substantive changes that may be required by OAL during their review process.

The staff recommended 15-day changes were as follows [all references are to the text draft dated August 10, 2010]:

- Section 12347, subsection (b), paragraph (3) – Page 5, line 3 – delete the current language and replace with the following: “The Commission shall not approve an application for a state gambling license from an applicant who obtained a gambling enterprise for which the prior owner licensee’s license was determined by the Commission to have been surrendered or abandoned.”
- Section 12347, subsection (b), paragraph (4) – page 5, line 9: Correct a technical error (word order).
- Section 12348, subsection (a) – Page 5, lines 17 – 21: Amend to read: “A state gambling license that was valid as of December 31, 1999, or that was issued pursuant to an application on file with the department prior to September 1, 2000,

and that was surrendered or expired without being renewed prior to the effective date of this section, shall be eligible for reinstatement in accordance with the following guidelines:

- Section 12348, subsection (a), paragraph (1) – page 5, lines 22-25: Amend to read: “The applicant seeking to reinstate the license must be the last holder of the license that he or she is seeking to reinstate.”
- Section 12348, subsection (f) – Page 7, line 22: Correct technical error by deleting the reference to a non-existent paragraph “(4).”

Chairman Shelton opened the matter for public comment and oral comments were received from Rodney Blonien, Harlan Goodson, Tom Farrage, Alan Titus, and David Fried

After discussion of the comments received, Ms. George recommended that, in order to resolve the inconsistency between the example given in Section 12347(b), paragraph (4) and the overall regulatory intent of that paragraph, the example be deleted.

Ms. George also stated that staff has recommended language changes in Section 12346(b), paragraph (3); however, the Commission has the option of just deleting paragraph (3) entirely and addressing the issue in another regulation file currently being developed.

After discussion and consideration of all the comments received together with staff's recommendations, Chairman Shelton moved to approve staff's recommendations, with the deletion of paragraph (3) from Section 12347(b), and the deletion of the example in Section 12347(b)(4). The motion was seconded by Commissioner Shelby and unanimously carried in a vote by roll call with Chairman Shelton and Commissioners Shelby and Shimazu voting yes.

PUBLIC COMMENT

There were no public comments at this time.

ADJOURNMENT

Upon motion of Chairman Shelton, seconded by Commissioner Shimazu and unanimously carried in a vote by roll call with Chairman Shelton and Commissioners Shelby and Shimazu voting yes, the meeting was adjourned at 11:40 a.m.